

# The Diverse Income Trust plc

## Objective

To provide shareholders with an attractive and growing level of dividends coupled with capital growth over the long term.

## Awards and ratings



Ratings are not a recommendation. Please see page 4 for further information.

## Key facts

Net assets	£404.1m
Shares in issue	361,445,105
Gearing	0.00%
Share price	110.00p
NAV	111.81p
Premium/(Discount)	(1.62%)
Domicile	United Kingdom
Launch date	28 Apr 2011
Reporting dates	Final - 31 May Interim - 30 Nov
Domicile	United Kingdom
ISA eligible	Yes
Historic yield	3.41%

AIC sector  
UK Equity Income

Performance comparator  
UK Equity Income

## Trust managers



**Gervais Williams**  
 Joined Premier Miton  
**Mar 2011**  
 Manager since  
**Apr 2011**



**Martin Turner**  
 Joined Premier Miton  
**May 2011**  
 Manager since  
**Apr 2011**

## Directors

Andrew Bell (Chairman), Paul Craig, Calum Thomson, Michelle McGrade, Caroline Kemsley-Pein

## Fund codes

ISIN	GB00B65TLW28
Sedol	B65TLW2
Bloomberg	DIVI LN

## Manager commentary

Generally, most of the Trust's portfolio holdings continued to report progress during November, along with dividend increases. There has also been an unusually large number of UK listed companies hoping to raise new capital ahead of the end of the year. Indeed, the aggregate scale of the current plc fundraisings is so large that market indigestion depressed many smaller company share prices during November, as some investors sold existing holdings to raise capital to support these.

Alongside, inflation data during the month rose more than expected and a new Covid variant led many governments to reimpose various civil restrictions. The US dollar was notably strong, as the current financial stimulus may be scaled back more rapidly than previously anticipated.

Less financial stimulus, and the new civil restrictions led to some weakness in the share prices of global

companies during November. Many of the largest UK stocks have a very substantial part of their aggregate earnings in overseas operations however, so the US Dollar strength tended to offset the setback. The FTSE All-Share Index declined by just 2.24% during November. In comparison, smaller company share prices were somewhat weaker with the FTSE Small Cap (ex IT) Index down 4.89% during the month. In comparison, the NAV of the Diverse Income Trust fell 2.82% over the same period.

The longer term returns of the Diverse Income Trust remain strong with a NAV total return of 226.53% since issue, which compares with a 86.53% return for the FTSE All-Share Index and a 194.30% return for the FTSE Small Cap (ex IT) Index.

**Gervais Williams & Martin Turner**  
 30.11.2021

## Investment approach

The trust invests primarily in quoted or traded UK companies with a wide range of market capitalisations, but a long-term bias toward small and mid-cap equities. The trust may also invest

in large cap companies, including FTSE100 Index constituents, where it is believed that this may increase shareholder value.

## Performance over 10 years (%)



Cumulative performance (%)	1m	3m	1y	3y	5y	10y
Share price	-3.93	-5.73	25.00	32.87	43.60	250.14
NAV	-2.82	-6.16	20.38	32.71	47.05	248.82
UK Equity Income	-2.01	-3.50	20.73	24.61	36.08	153.02

Calendar year performance (%)	2016	2017	2018	2019	2020	YTD
Share price	-0.85	16.97	-7.69	6.94	8.60	13.91
NAV	2.16	17.46	-8.37	12.51	7.57	12.25
UK Equity Income	7.43	13.42	-10.39	22.53	-7.84	14.42
FTSE All-Share Index	16.75	13.10	-9.47	19.17	-9.82	13.04
FTSE Small Cap (ex IT) Index	12.54	15.61	-13.80	17.68	1.65	24.03

Discrete annual performance (%)	30.11.16 30.11.17	30.11.17 30.11.18	30.11.18 29.11.19	29.11.19 30.11.20	30.11.20 30.11.21
Share price	10.90	-2.55	2.23	3.98	25.00
NAV	16.96	-5.26	4.82	5.17	20.38
UK Equity Income	13.88	-4.11	10.71	-6.77	20.73

Source: for all performance data: Morningstar.

**Key risks: The value of investments may fluctuate which will cause fund prices to fall as well as rise and investors may not get the original amount invested. The performance information presented on this page relates to the past. Past performance is not a reliable indicator of future returns. Reference to any stock or fund is not a recommendation for investment purposes. More information about the risks of investment is provided later in this document.**

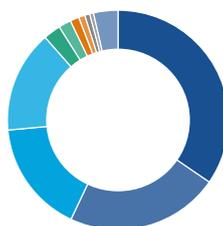


## Portfolio breakdown

### Top 20 holdings (%)

Kenmare Resources plc	2.2
K3 Capital Group plc	2.2
CMC Markets plc	1.8
UKX 12/16/22 P6200	1.8
Strix Group plc	1.8
Drax Group plc	1.7
888 Holdings plc	1.6
Randall & Quilter Inv Holdings Ltd	1.5
Legal & General Group plc	1.5
National Grid plc	1.5
Aferian plc	1.5
Sainsbury plc	1.4
Man Group plc	1.4
i3 Energy plc	1.4
Phoenix Group Holdings plc	1.4
Tesco plc	1.4
Touchstone Exploration Inc	1.4
FRP Advisory Group plc	1.3
Lords Group Trading plc	1.3
Admiral Group plc	1.3

### Index weighting (%)



FTSE AIM	34.6
FTSE 100	22.5
FTSE Small Cap	16.5
FTSE 250	15.0
UK-listed non-indexed shares	2.5
FTSE 100 Put Option	1.8
Overseas	1.3
Other	0.9
FTSE Fledgling	0.7
Bonds	0.6
Cash	3.6

## Income

**Historic yield** 3.41%

The historic yield reflects distributions declared over the past twelve months as a percentage of the share price of the fund. The yield is not guaranteed and will fluctuate.

**Expected payment dates** Feb, May, Aug, Nov

### Income distribution (pence per share)

Total income distributions in each of the trust's last 6 financial years.

	1st Interim	2nd Interim	3rd Interim	Final	Total
<b>2022</b>	0.90p	-	-	-	<b>0.90p</b>
<b>2021</b>	0.85p	0.90p	0.90p	1.10p	<b>3.75p</b>
<b>2020</b>	0.85p	0.90p	0.90p	1.05p	<b>3.70p</b>
<b>2019</b>	0.80p	0.85p	0.90p	1.26p	<b>3.81p</b>
<b>2018</b>	0.75p	0.80p	0.85p	1.00p	<b>3.40p</b>
<b>2017</b>	0.70p	0.70p	0.80p	0.80p	<b>3.00p</b>

## Charges

**Ongoing charges figure (OCF)** 1.06%  
as at 31.05.2021

The ongoing charges figure disclosed includes direct costs to the fund, such as the annual management fee\*, custodian charge and administration fee. It excludes interest charged on any borrowing and is based on expenses for the period ending 31.05.2021.

### \*Management fee on market capitalisation

Fund management fees are tiered and calculated based on the share price, so may vary in each year. With effect from 1 August 2019, the Manager received a management fee of 0.9% per annum on the adjusted market capitalisation of the trust up to £300m, 0.8% per annum on the average market capitalisation between £300 and £500m and then 0.7% per annum on the average market capitalisation above £500m.



## General risks

All types of investment carry a degree of risk. It is possible you could lose some, or all, of the money you invest. The level of risk varies depending on the type of investment.

Typically, you are less likely to lose money over the long term from an investment that is considered low risk, although potential returns may also be lower. Investments considered higher risk typically offer greater opportunities for better long-term returns, though the risk of losing money is also likely to be higher.

When you invest, it is important that you understand the risk to your money and are comfortable with that level of risk. If you are unsure, we would recommend that you consult a financial adviser.

Past performance of an investment is not an indication of how it will perform in the future. The value of your investment and any income generated by your investment can go down as well as up, and you could get back less than you invested.

The value of your investment might not keep up with any rise in the cost of living.

You could lose money if financial markets fall.

There is no guarantee that the investment objective of the trust will be achieved.

The levels of taxation that apply to income or capital gains from the trust, including any tax relief that may be available, will depend on your personal tax situation.

Trusts with similar objectives may not perform in the same way as they are likely to have different holdings or hold different amounts of the same investment.

Performance will be affected by investment decisions made by the fund managers.

## Other risks

Some of the main specific risks of investing in this trust are summarised here.

### Derivative

A contract whose value is based on the change in price of a specific asset or index. When derivatives are used within a trust, it doesn't necessarily increase risk. However, price changes in the underlying asset can translate into big swings in the value of derivatives (up and down), which has a direct effect on the value of the trust.

### Equities

Equities (shares) can experience high levels of price fluctuation.

### FTSE 100 Put Option

A FTSE 100 Put Option is a type of derivative contract in which the underlying value is based on the level of the FTSE 100 index which tracks the performance of the top 100 largest companies by market value listed on the London Stock Exchange. Such contracts can be used to protect the value of an underlying investment or group of investments against a fall in the value of those 100 largest companies and can be thought of as an insurance policy.

### Geographic concentration

Trusts that have a strong focus on a particular country or region can carry a higher risk than trusts with a more diversified portfolio.

### Hedging

A hedge is designed to offset the risk of another investment falling in price. It can

also act as a limit on potential gains if the investment that has been hedged increases in value.

### Inflation

Higher inflation can lead to some investments falling in value, particularly those with a fixed level of interest, for example government bonds and corporate bonds.

### Infrastructure

Investments are often in large-scale projects whose profitability can be affected by supply problems or rising prices for raw materials or natural resources. Changes in the wider economy and government regulation can also have a significant influence.

### Interest rate

Changes in central bank interest rates can affect all types of assets, in particular, securities such as government bonds and corporate bonds that generally offer a fixed level of interest. If interest rates go up, the value of a bond may fall, and vice versa.

### Legal and tax

The income or capital gains from investments can sometimes be affected by changes in legal and tax regulations or how these rules are applied.

### Liquidity

In some instances, for example, when market conditions generally are difficult, holdings in a trust may be difficult to sell and buy at the desired price. The trust value could fall as a result.

## Operational

Processes, systems and controls around your investment might fail. The more complex or unusual the investments that the trust holds, the more likely this is to happen. For example, developing markets may have less reliable systems or lower standards of governance than more developed markets.

## Property and Real Estate Investment Trusts

Property values can rise and fall sharply depending on the strength of a country's economy.

## Put-options

A type of derivative. Put-options can be used for a number of reasons. For example, they can be used to protect the value of an underlying investment or group of investments against a fall in value. They can be thought of as an insurance policy. These can make a trust more volatile from time to time.

## Smaller companies

Investment in smaller companies is typically higher risk than investment in larger companies. Shares in smaller companies can experience greater levels of volatility.



## Ratings, awards and other information

The methodology and calculations used by the companies or organisations that provide the fund or fund manager awards and ratings are not verified by us

and we therefore are unable to accept responsibility for their accuracy. Ratings and awards should not be relied upon for making an investment decision, nor are

they an indication, promise or guarantee of future performance of a fund or fund manager.

## Glossary

### Annual management charge (AMC)

The fee paid to Premier Miton for the different costs associated with managing your investment each year and is expressed as a percentage of your investment.

### Assets

Different groups of investments such as company shares, bonds, commodities or commercial property.

### Bonds (or fixed income)

Types of investments that allow investors to loan money to governments and companies, usually in return for the offer of the pay-out of a regular fixed amount of money until the bond's maturity date, plus the return of the original value of the bond at a set maturity date. The price of bonds will vary and the investment terms of bonds will also vary.

### Capital

Describes financial assets, particularly cash, or other assets, such as shares, owned by a person or organisation.

### Capital growth

The increase in value of your original investment. Investments can potentially grow with or without dividends (income) reinvested.

### Collective Investment Schemes

A generic term for investment funds with more than one investor, such as unit trusts, OEICs and investment trusts.

### Dividends

The portion of its capital that a company chooses to return to its shareholders. For a fund, this is the payment of fund's income to its shareholders.

### Equities

Another name for shares (or stock) in a company.

### ISA

This stands for Individual Savings Account and is a type of tax-free scheme, set up by the government, designed to help people make the most of their savings and investments. All income and gains from an ISA investment are exempt from UK Income Tax and Capital Gains Tax. HM Revenue and Customs sets the maximum amounts that you are allowed to invest into an ISA each tax year.

### Net Asset Value (NAV)

The total of a company's assets minus its liabilities. The net asset value per share is the total of a company's assets minus its liabilities divided by the number of shares in issue.

### Ongoing Charges Figure (OCF)

A measure of what it costs to invest in a fund over a year. It includes the fee paid to Premier Miton for the management of the fund (known as the annual management charge), with the remainder covering costs that have to be paid to external

companies for other services relating to the ongoing administration and management of a fund, such as the fees paid to the depositary, custodian, regulator, auditor and administrator. The fee is deducted from the value of the fund and reflected in the fund's share price. The OCF is typically published once a year and can change from year to year.

### Total return

A way of showing how an investment has performed, and is made-up of the capital appreciation or depreciation and includes any income generated by the investment. Measured over a set period, it is expressed as a percentage of the value of the investment at the start of that period.

### Yield

The dividend per share divided by the stock's or fund's price per share and expressed as a percentage. The historic yield is the dividend income distributed during the past year and expressed as a percentage of the share price on a particular day.

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For your protection, calls may be monitored and recorded for training and quality assurance purposes.

A free, English language copy of the trust's full prospectus, the Key Information Document and Pre-investment Disclosure Document are available on the Premier Miton website, or you can request copies by calling us on 01483 306090.

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